

**PROCEEDINGS BEFORE THE  
WASHINGTON STATE  
BOARD OF ACCOUNTANCY**

In the Matter of the Inactive  
Certified Public Accountant (CPA)  
Certificate of:

Kit Ying Cheung, CPA-Inactive,

Respondent.

No. ACB-1358

STIPULATION AND  
AGREED ORDER

The Washington State Board of Accountancy (Board) and Kit Ying Cheung (Respondent) stipulate and agree as follows:

**Section 1: Procedural Stipulations**

- 1.1 The Respondent understands that the State may issue a statement of charges in this matter and proceed to a hearing before the Board upon the merits of said charges although the State has not done so, in order to facilitate resolution of this matter in accordance with the legislative intent endorsed in RCW 34.05.060.
- 1.2 The Respondent understands that should the State prevail at hearing based on a statement of charges that the Board has the power and authority to deny, suspend, revoke, or refuse to renew the Respondent's certified public accountant certificate or any individual or firm license to practice public accounting as a certified public accountant in Washington and may impose a fine plus the Board's investigative and legal costs in bringing charges or impose conditions precedent to renewal of the certificate or license, or impose full restitution to injured parties.
- 1.3 The Respondent understands that the Respondent has the right to defend against a statement of charges by demanding a hearing and presenting evidence on the Respondent's behalf and the Respondent voluntarily waives the right to a hearing and all

other rights which may be accorded the Respondent by the Administrative Procedures Act, chapter 34.05 RCW, and the laws of Washington, including the right to petition the courts for judicial review.

- 1.4 The Respondent wishes to expedite the resolution of this matter by means of this Stipulation and Agreed Order and does not desire to proceed to a formal hearing based on the issuance of a statement of charges.
- 1.5 The Respondent understands that this Stipulation and Agreed Order is not binding unless it is approved by the Board.
- 1.6 Should this Stipulation and Agreed Order be rejected by the Board and the State proceeds to issue a statement of charges, the Respondent waives any objection to the participation of any members of the Board at a hearing on this matter, other than the consulting Board member in this proceeding.
- 1.7 The parties further stipulate to the following Stipulated Facts, Conclusions of Law and Agreed Order:

## **Section 2: Stipulated Facts**

- 2.1 Respondent, Kit Ying Cheung, has held a valid inactive certified public accountant (CPA) certificate (No. 21573) in the state of Washington at all times material hereto.
- 2.2 On January 7, 2010, the Board accepted and entered Stipulation and Agreed Order (ACB-11180) determining that the Respondent engaged in conduct that violated WAC 4-25-830 that was grounds for discipline under RCW 18.04.295 and WAC 4-25-910. The Respondent agreed to the entry of the Agreed Order. The Board reprimanded the Respondent for failing to timely complete the required continuing professional education (CPE) and ordered the Respondent to pay a fine and reimburse the Board's investigative and legal costs. The Board allowed the CPE the Respondent completed on February 13, 2009, to be carried back to satisfy the Respondent's CPE requirement for the January 1,

2006, through December 31, 2008, reporting period. The Board ordered that the course could not be used to satisfy the Respondent's CPE requirements for the January 1, 2009, through December 31, 2011, reporting period. The Board also ordered that the Respondent be included in the 2012 CPE audit.

- 2.3 On or about April 30, 2012, the Respondent submitted a CPA-Inactive certificate renewal application with the appropriate fee to the Board using the Board's online services. For the Washington Ethics Course Verification that was required to renew, the Respondent listed "Accountants Education Group" as the course provider, "Washington Ethics" as the title of the course, and "2/13/2009" as the date of completion. The Respondent certified that she had completed a Washington State Board approved ethics course, required for the renewal period, prior to December 31<sup>st</sup>.
- 2.4 On September 26, 2012, the Board emailed the Respondent a 2012 Continuing Professional Education (CPE) Audit notice. The Board directed the Respondent to complete a CPE Summary Sheet listing CPE course(s) the Respondent completed during the period January 1, 2009, through December 31, 2011, to meet the Board's CPE requirements and copies of acceptable supporting documentation for each CPE course listed. The Respondent was required to complete four hours in Board approved ethics and regulations applicable to the practice of public accounting in Washington State during the reporting period to maintain the Respondent's CPA-Inactive certificate. On or about October 10, 2012, the Respondent documented the completion of the course entitled "Washington Ethics" sponsored by Accountants Education Group on February 13, 2009. This is the same course the Board allowed the Respondent to carry back to satisfy the Respondent's 2006/2008 renewal requirements.

- 2.5 The Respondent was not able to satisfactorily document the completion of an additional four hours in Board approved ethics and regulations applicable to the practice of public accounting in Washington State during the reporting period.

### **Section 3: Conclusions of Law**

- 3.1 The Washington State Board of Accountancy has jurisdiction over the subject matter herein.
- 3.2 The Respondent's conduct in Stipulated Facts 2.3 through 2.5 constitutes cause for Board discipline under RCW 18.04.295 and WAC 4-30-142 for failure to comply with an order of the Board and for violations of RCW 18.04.215 that requires ethics CPE for renewal of an inactive certificate; WAC 4-30-134 that requires a CPA-Inactive certificate holder to complete four CPE credit hours in approved ethics and regulations with specific application to the practice of public accounting in Washington state during the three calendar year period prior to renewal.

### **Section 4: Agreed Order**

Based on the preceding Stipulated Facts and Conclusions of Law, Respondent agrees to entry of the following Order:

- 4.1 Respondent's inactive CPA certificate is hereby SUSPENDED for three years from the date this Order is accepted and entered by the Board.
- 4.2 The suspension of the Respondent's inactive CPA certificate will be stayed as long as the Respondent complies with each of the following conditions. The Respondent must:
- 4.2.1 Pay a five hundred dollar (\$500) fine. This fine shall be payable to the Washington State Board of Accountancy and remitted to the Washington State Board of Accountancy via the Board's online services or to PO Box 41465, Olympia, WA 98504-1465 in such manner that the Board receives it within 60 days of the Board's acceptance and entry of this Stipulation and Agreed Order.

- 4.2.2 Reimburse the Board two hundred fifty dollar (\$250) for investigative and legal costs. This payment shall be payable to the Washington State Board of Accountancy and remitted to the Board via the Board's online services or to PO Box 41465, Olympia, WA 98504-1465 in such a manner that the Board receives it within 60 days of the Board's acceptance and entry of this Stipulation and Agreed Order.
- 4.2.3 Complete at least four hours of CPE in ethics and regulation applicable to the practice of public accounting in the state of Washington, approved by the Board, within 60 days of the Board's acceptance and entry of this Stipulation and Agreed Order. The Respondent must submit the course completion certificate to the Board so that the Board receives it within 30 days of the Respondent's completion of the CPE. This CPE will be carried back to satisfy the Respondent's CPE requirement for the January 1, 2009, through December 31, 2011, reporting period. This CPE cannot be used to satisfy the Respondent's CPE requirements for the reporting period January 1, 2012, through December 31, 2014.
- 4.2.4 Complete another four hours of qualifying CPE in ethics applicable to the Respondent's required competencies in the workplace by December 31, 2014. The Respondent must submit course completion documentation to the Board so that the Board receives it no later than January 15, 2015.
- 4.2.5 If Respondent violates or fails to comply with terms of this Order at any time during the period the suspension is stayed, the Board will revoke the Respondent's inactive CPA certificate. The Board may rely upon its own records to impose the revocation for violation of this order. Prior to imposing the revocation, the Board will serve the Respondent notice of the revocation, its proposed effective date, and

the action, if any, required of Respondent to cure the condition(s) which led to revocation.

- 4.3 The Board will publish the terms of this Stipulation and Agreed Order.
- 4.4 Any and all costs involved in complying with this order shall be borne by the Respondent.
- 4.5 Nothing in this Order precludes the Board from exercising its authority and responsibilities under chapter 18.04 RCW or Title 4 WAC. Any violations of such chapters constitute independent grounds for the denial, suspension, revocation or refusal to renew the Respondent's certificate and/or license(s).

I, **KIT YING CHEUNG**, certify that I have read this Stipulation and Agreed Order in its entirety; that I fully understand and agree to all of it, and that it may be presented to the Board without my appearance. If the Board accepts the Stipulation and Agreed Order, I understand that I will receive a signed copy.

DATED this 21 day of December, 20 12.

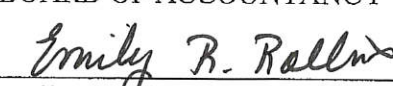
  
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Kit Ying Cheung  
Respondent

#### Section 5: Order

The Board accepts and enters this Stipulation and Agreed Order.

DATED this 15<sup>th</sup> day of January, 2013.

WASHINGTON STATE  
BOARD OF ACCOUNTANCY

  
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Emily R. Rollins, CPA  
Board Chair